

ANNEXURE B2

HESSEQUA LOCAL MUNICIPALITY

INDIGENT POLICY 2019/2020



(FINAL FOR IMPLEMENTATION ON 1 JULY 2019)

FINAL

29 MAY 2019

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TABLE OF CONTENTS

| | Page |
|---|------|
| 1. DEFINITIONS..... | 3 |
| 2. INTRODUCTION..... | 5 |
| 3. PURPOSE OF THE POLICY | 5 |
| 4. POLICY PRINCIPLES..... | 5 |
| 5. POLICY OBJECTIVES..... | 6 |
| 6. LEGISLATIVE FRAMEWORK | 6 |
| 7. TARGETING OF INDIGENT HOUSEHOLDS..... | 7 |
| 8. QUALIFICATION CRITERIA..... | 7 |
| 9. ASSISTANCE PROCEDURES | 8 |
| 10. THE EXTENT OF INDIGENT SUPPORT | 11 |
| 11. THE EXTENT OF INDIGENT SUPPORT FOR CATEGORY A AND B INDIGENTS | 12 |
| 12. CATEGORY C - INDIGENT HOUSEHOLDS IN RETIREMENT CENTRES AND OLD AGE HOMES | 14 |
| 13. CATEGORY D - INDIGENT HOUSEHOLD TENANTS NOT RECEIVING MUNICIPAL ACCOUNTS | 14 |
| 14. CATEGORY E – CHURCHES IN INDIGENT AREAS WHO ARE REGISTERED ON THE NATIONAL REGISTER OF CHURCHES | 14 |
| 15. PROCESS MANAGEMENT | 15 |
| 16. DRAFTING AND MAINTENANCE OF AN INDIGENT REGISTER | 17 |
| 17. PENALTIES AND DISQUALIFICATION FOR FALSE INFORMATION..... | 17 |
| 18. TARIFF POLICY..... | 18 |
| 19. SOURCES OF FUNDING | 18 |
| 20. METHOD OF TRANSFER AND THE VALUE OF THE SUBSIDY | 19 |
| 21. RESTORING SERVICES TO QUALIFIED HOUSEHOLDS | 19 |
| 22. DEPOSITS | 19 |
| 23. MONITORING AND REPORTING..... | 19 |
| 24. CAPACITY BUILDING | 20 |
| 25. IMPLEMENTATION AND REVIEW OF THIS POLICY | 20 |

4780193258
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DEPARTEMENT FINANSIES

29 MAY 2019

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PRINCIPLES AND POLICY ON INDIGENT CUSTOMERS

DOCUMENT AND VERSION CONTROL

Version: Final – 2019/2020

Date: 29 May 2019

Summary: This document describes the Indigent Policy that will be applicable to the Hessequa Municipality, with effect from 01 July 2019.

J JACOBS

G RIDDLES

Municipal Manager:

Executive Mayor:

Date: 29 May 2019

Date: 29 May 2019

1. DEFINITIONS

"basic service" means water provided through one service connection, the removal of refuse once per week, and sewerage services provided by one service connection or one septic tank;

"extended family" means a family unit that extends past the nuclear family to include other relatives such as aunts, uncles, and grandparents;

"household" means a registered owner or tenant with or without children who reside on the same premises;

"Indigent" means any household or category of households, earning a combined gross income, as determined by the Municipality annually in terms of a social and economic analysis of its area, which qualifies for rebates/remissions, support or a services subsidy; provided that child support grants are not included when calculating such household income;

"Municipality" means the Hessequa Municipality, established in terms of Section 12 of the Municipal Structures Act, 117 of 1998, and includes any political structure, political office bearer, Councillor, duly authorized agent or any employee acting in connection with this policy by virtue of a power vested in the Municipality and delegated or sub-delegated to such political structure, political office bearer, councillor, agent or employee;

"programme officer" an official duly authorised by the Municipality, or an employee of a service provider appointed by the Municipality, who is responsible for the following.

29 MAY 2019
MUNISIPALITEIT HESSEQUA
DEPARTEMENT FINANSIES

U MASIPALA HESSEQUA
HESSEQUA MUNICIPALITY

- a. to ensure that applications for indigent support are received, assessed and submitted for consideration and approval;
- b. to ensure that approved applications are captured on the Financial Management System; and
- c. to ensure that information on applications are verified and that regular audits are executed.

The Accountant Credit Control fulfils the role of Programme Officer within the Municipality.

"occupier" means the person who controls and resides on or controls and otherwise uses immovable property, provided that:-

- a. the spouse of the owner of immovable property, which is used by such spouse or owner as a dwelling at any time, shall be deemed to be the occupier thereof;
- b. where both spouses reside on immovable property and one of them is a full time occupant thereof, the other shall also be deemed to be the occupier thereof.

"owner", in relation to immovable property, means:-

- a. the person in whom is vested the legal title thereto provided that:-
 - (i) the lessee of immovable property which is leased for a period of not less than fifty years, whether the lease is registered or not, shall be deemed to be the owner thereof; and
 - (ii) the occupier of immovable property occupied in terms of a servitude or right analogous thereto shall be deemed the owner thereof;
- b. if the owner is deceased, insolvent, has assigned his or her estate for the benefit of his or her creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, then the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be;
- c. if the owner is absent from the Republic or if his or her address is unknown to the Municipality, then any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property; or
- d. if the Municipality is unable to determine who such person is, then the person who is entitled to the beneficial use of such property;

"premises" includes any piece of land, the external surface boundaries of which are delineated on:-

- a. a general plan or diagram registered in terms of the Land Survey Act, 1957 (Act No. 56 of 1957) or in terms of the Deeds Registries Act, 1937 (Act No. 47 of 1937); or
- b. a general plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), and

c. situated within the jurisdiction of the Municipality;

“rates means any tax, duty or levy imposed on property by the Council.

2. INTRODUCTION

- 2.1 The Municipal Council must give priority to the basic needs of the community, promote the social and economic development of the community and ensure that all residents and communities in the Municipality have access to at least the minimum level of basic municipal services in terms of Section 152(1)(b) and 153(b) of the Constitution.
- 2.2 Basic services are generally regarded to be access to electricity, access to clean water within a reasonable distance of one's dwelling, basic sanitation, solid waste removal and access to and availability of roads.
- 2.3 The Constitution recognises Local Government as a distinct sphere of Government and as such also entitles Local Government to a share of nationally raised revenue, which will enable it to perform their basic function of providing essential services to the community within their boundaries.
- 2.4 The key purpose of an Indigent Policy is to ensure that households with no or lower income are not denied a reasonable service, and on the contrary the Municipality is not financially burdened with non-payment of services. Provided that grants are received and funds are available, the Indigent Policy should remain intact.
- 2.5 To achieve the purpose it is important to set a fair threshold level, and then to provide a fair subsidy of tariffs.
- 2.6 The customer, in order to qualify as an Indigent, needs to complete the necessary documentation as required and agree to regulations and restrictions stipulated by Hessequa Municipality.

3. PURPOSE OF THE POLICY

The purpose of this Policy is to ensure that the subsidy scheme for indigent households forms part of the financial management system of Hessequa Municipality and to ensure that the same procedure is followed for each individual case.

4. POLICY PRINCIPLES

- 4.1 Apart from meeting legislative requirements, this Policy also emanates from the objectives determined in Council's Anti-corruption Policy.
- 4.2 It is against the above background that the Hessequa Municipality undertakes to promote the following principles:-

4780193258
MUNICIPALITEIT HESSEQUA
DEPARTEMENT FINANSIES

29 MAY 2019
U MASIPALA HESSEQUA
HESSEQUA MUNICIPALITY
FINANCIAL DEPARTMENT

- 4.2.1 To ensure that the portion for free basic services allocated as part of the equitable share received annually will be utilised for the benefit of the poor only and not to subsidise rates and services charges of those who can afford to pay;
- 4.2.2 To link this Policy with the Municipality's Integrated Development Plan (IDP), Local Economic Development (LED) initiatives and poverty alleviation programmes;
- 4.2.3 To promote an integrated approach to free basic service delivery; and
- 4.2.4 To engage the community in the development and implementation of this Policy.

5. POLICY OBJECTIVES

In support of the above principles the objectives of this Policy will be to ensure the following:-

- 5.1 The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
- 5.2 The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidisation;
- 5.3 Establishment of a framework for the identification and management of indigent households including a socio-economic analysis and an exit strategy;
- 5.4 The provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households;
- 5.5 To ensure co-operative governance with other spheres of government; and
- 5.6 To enhance the institutional and financial capacity of the Municipality to implement the Policy.

6. LEGISLATIVE FRAMEWORK

This Policy is designed and implemented within the framework of the following legislation:-

- 6.1 The Constitution of the RSA, 1996;
- 6.2 Local Government Municipal Systems Amendment Act, 2003, Act No 44 of 2003;
- 6.3 The Local Government Municipal Finance Management Act 2003, Act no 56 of 2003;
- 6.4 The Promotion of Administrative Justice Act, 2000, Act no 3 of 2000;
- 6.5 The Promotion of Access to Information Act, 2000, Act no 2 of 2000; and
- 6.6 The Local Government Municipal Property Rates Act, 2004, Act no 6 of 2004

4780193258
MUNICIPALITEIT HESSEQUA
DEPARTEMENT FINANSIES

29 MAY 2019

U MASIPALA HESSEQUA
HESSEQUA MUNICIPALITY
FINANCIAL DEPARTMENT

7. TARGETING OF INDIGENT HOUSEHOLDS

7.1 The effective targeting of indigent households and the implementation of this Policy will depend largely on the social analysis included in the IDP, the LED initiatives and other poverty relief programmes of the Hessequa Municipality. The socio-economic information and performance indicators contained in these documents must form the basis for the targeting of indigent households. Against the background of such socio-economic analysis, the Municipality must, within its financial and institutional capacity, decide which targeting approach or option should be applied.

7.2 The Municipality may apply the following targeting methods:-

| Targeting approach | Application |
|-----------------------------------|--|
| 1. Service levels | Lowest service levels normally in informal settlements and rural areas. |
| 2. Property value | Applicable only to registered indigents in respect of subsidised or RDP housing to a value determined in addition to the R15 000 in terms of the Property Rates Act, 2004. |
| 3. Household income | Threshold shall be determined in terms of socio-economic analysis equaling two state pension grants per indigent household or an amount determined by the Council from time to time. |
| 4. Geographical (Zonal) targeting | Specific areas (rural or urban) where households are regarded as poor irrespective of service level. |

7.3 For the 2018/2019 financial year the Municipality will use household income as the targeting approach for the registration of indigent customers.

8. QUALIFICATION CRITERIA

The qualification criteria for indigent support shall be determined by the Municipality from time to time, provided that until the Hessequa Municipality determines otherwise, the following criteria shall apply:-

8.1 The applicant must be a resident within the Hessequa Municipal area.

8.2 The applicant must be in possession of a valid South African identity document.

8.3 The total monthly gross income of the registered owner/tenant and his/her spouse or life companion is not more than an amount as determined by Council from time to time.

This amount includes any rental received from other occupants on the stand as well as 5% of the gross income of any child and his/her spouse or life companion residing on the stand. This amount will be determined at the beginning of the financial year and will be applied for the duration of that particular financial year.

8.4 Monthly consumption

8.4.1 At the date of application or reapplication, an applicants' average monthly:-

- (a) electricity consumption of the preceding 12 months may not exceed a twelve month average of 350 kWh; and
- (b) water consumption of the preceding 12 months may not exceed a twelve month average of 15kl.

8.4.2 Should the applicant exceed the maximum average consumption as indicated in 8.4.1 the circumstances under which the purchase and consumption patterns exist must be investigated and considered as per Sections 9.5 and 9.6 of this Policy.

8.5 Does not own one or more vehicles with minimum market values of R100 000 in total as per the latest edition of the SA Auto Trader Guide;

8.6 The applicant must be the full time occupant who receives municipal services and is registered as an account holder on the municipal financial system;

8.7 Any occupant or resident of the single household referred to above may not own more than one property in addition to the property in respect of which indigent support is provided, excluding property allocated in terms of the Rural Areas Act (Act no 9 of 1987) read together with the Transformation of Certain Rural Areas Act (Act no 94 of 1998).

8.8 A tenant can only apply for the benefits in respect of the charges he/she is billed for while the landlord remains liable for all ownership related charges such as rates.

8.9 The current account of a deceased estate may be subsidised if the surviving spouse or dependants of the deceased who occupy the property, applies for assistance.

9. ASSISTANCE PROCEDURES

9.1 Communication

9.1.1 The Municipality must develop a communication strategy in terms of which communities will be informed and educated in order to have a clear understanding of this Policy and its implementation.

9.1.2 Regular information dissemination and awareness campaigns must be undertaken to eliminate unrealistic expectations both in terms of qualifying for subsidy as well as service delivery in general and methods of communication may include, but will not be limited to:-

4780193258
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DEPARTEMENT FINANSIES

29 MAY 2019

U MASIPALA HESSEQUA
HESSEQUA MUNICIPALITY
FINANCIAL DEPARTMENT

- 9.1.2.1 Ward committees;
- 9.1.2.2 Community based organisations;
- 9.1.2.3 Local radio stations and newspapers;
- 9.1.2.4 Municipal accounts;
- 9.1.2.5 Imbizo's, roadshows and community outreach programmes;
- 9.1.2.6 SMS, Municipal Website and Municipal Newsletter; and
- 9.1.2.7 Jamborees where government and municipal officials are made available to assist residents with applications such as ID applications, pension- and social grant applications, etc.

9.2 Institutional Arrangements

The Municipality must designate existing staff or appoint officials, or engage appointed Community Development Workers who have been trained in terms of the Municipality's directions to assist with the implementation and development of this Policy and must establish appropriate registration points in its area, the cost of which may be funded through the equitable share allocation.

9.3 Application/Registration

- 9.3.1 A person applying for indigent support must complete a formal indigent support application form approved by the Municipality attached as Annexure A.
- 9.3.2 Such forms will be available at approved registration points provided by the Municipality.
- 9.3.3 Applications for the indigent subsidy must be accompanied by the following documentation:
 - 9.3.3.1 The latest municipal account for the household;
 - 9.3.3.2 Proof of the Identity of the account holder;
 - 9.3.3.3 Proof of the income of all occupants on the property; i.e. a letter from his/her employer, salary slip/envelope, pension card, unemployment Insurance fund (UIF) card or a certificate that confirms registration as "looking for employment"; and
 - 9.3.3.4 Bank Statement and statements for any other investments, for the last three months, certified by the bank and/or financial institution and a sworn affidavit from the applicant that no other bank accounts or investments exist.

9.3.3.5 If the applicant is not the holder of any bank account, a sworn affidavit on the prescribed application form referred to in paragraph 9.3.1.

9.4 Assessment and Screening of Applicants

Upon registration of an application, all information, including the maximum average consumption as indicated in 8.4.1, must be verified by the Programme Officer.

9.5 Recommendation

Once the verification has been completed the Programme Officer must submit the application and, together with a recommendation, to the relevant Ward Indigent Assistance Committee.

9.6 Indigent Assistance Committee

9.6.1 Ward Councillors must annually establish Indigent Assistance Committees by nominating three members resident in the ward and submitting their names, via the Programme Officer, to the Council for approval of their appointment. A Ward Indigent Committee consists of the three nominated ward residents and the Ward Councillor, who is acting in a monitoring role only.

9.6.2 Indigent Assistance Committees must meet regularly, but at least once per month.

9.6.3 The Indigent Assistance Committee must consider each application received in terms of 9.3 and assess it in terms of the application and any other knowledge or information which members may have in respect of the applicant, including, but not limited to whether the maximum average consumption as referred to in 8.4 is exceeded as a result of the fact that the applicant's extended family also resides on the erf.

9.6.4 If an application is recommended by the members of the Indigent Assistance Committee, the minutes of the meeting must be signed off by the Ward Councillor and submitted, via the Programme Officer, to Council for approval.

9.6.5 In the case of an application not being recommended by the Indigent Assistance Committee the minutes of the meeting must be signed off by the Ward Councillor and submitted to the Programme Officer who must notify the applicant in writing of the decision. Any written appeal by the applicant must be submitted to the Finance Portfolio Committee for decision.

9.6.6 Indigent Assistance Committees must monitor, in conjunction with Ward Councillors, ward committees and other persons or organisations it may appoint, the implementation of the indigent support programme subject to the Policy directions of the Municipality and in consultation with the Municipal Manager.

9.6.7 A flowchart that illustrates the application and recommendation/non-recommendation process is attached as Annexure B.

9.7 Right of Appeal

An applicant who feels aggrieved by a decision taken in respect of his or her application may lodge an appeal in terms of section 62 of the Municipal Systems Act, Act no 32 of 2000.

10 THE EXTENT OF INDIGENT SUPPORT

Introduction

- 10.1 The extent of the monthly indigent support granted to indigent households must be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year.
- 10.2 The general threshold for indigent support is restricted to qualifying households with a combined income amount determined by Council at the beginning of every financial year and will be applied for the duration of that particular financial year.
- 10.3 The Municipality recognises the following five levels of indigent support:-
- 10.3.1 Category A - Support to qualifying households where the combined total gross income of the registered owner/ tenant and his/her spouse or life companion is equal or less to the minimum amount as determined by Council from time to time. 2019/20 = R3 500.00 pm / 2 x State Social Grant for pensioners over 75.
- 10.3.2 Category B - Support to qualifying households where the combined total gross income of the registered owner/ tenant and his/her spouse or life companion is within the extended amount as determined by Council from time to time. 2019/20 = R3 501.00 pm – R4 000.00 pm / 2019/20.
- 10.3.3 Category C - Care centres where elderly care is provided. The subsidy will be restricted to a fixed amount per month determined by Council at the beginning of every financial year per resident with an income equal or lower than the income amount determined by Council at the beginning of every financial year. The indigent assistance is rendered in the form of credit on the monthly electricity levy payable by the management of the particular institution. The total subsidy should not exceed the total monthly municipal account.
- 10.3.4 Category D - Indigent household tenants not receiving municipal accounts. Support to qualifying households where the combined total gross income of the registered tenant and his/her spouse or life companion is equal or less to the minimum amount or within the extended amount as determined by Council from time to time. The indigent assistance is rendered in the form of credit on the monthly municipal account payable by the owner of the property. The total subsidy should not exceed the total monthly municipal account.
- 10.3.5 Category E – Churches who are registered on the National Register of Independent Churches. Where more than 50% of the members of that congregation are considered as indigents in terms of the Council's Indigent Policy the property will be subsidised in terms of all the basic services charges only.

11 THE EXTENT OF INDIGENT SUPPORT FOR CATEGORY A AND B INDIGENTS

Within the above mentioned budgetary process and in striving to create the situation where poor households will be granted access to a full social package, assistance and support to Category A and B households may be granted as set out below.

11.1 Electricity

11.1.1 All Category A and B registered indigents will receive 50 kWh of electricity per month fully subsidised or an amount to be determined by Council on an annual basis.

11.1.2 Unused free electricity units will not be carried over to the next month. Any meter tampering will result in the subsidisation to be withdrawn. In the event of the electricity supplied by Eskom directly the Hessequa Municipality will pay over an amount to Eskom equal to 50 kWh of electricity per month based on the customers registered with the Hessequa Municipality as indigents and not based on any indigent records submitted by Eskom.

11.2 Water

11.2.1 Category A registered indigents shall be fully subsidised and category B registered indigents shall be subsidised for 50% of the basic levy for water for one service connection as provided for by Council in the annual budget from time to time.

11.2.2 All Category A and B registered indigents will receive 6 kilolitres of water per month fully subsidised or an amount as determined and provided for by the Council in the annual budget from time to time.

11.2.3 The subsidy shall not be more than the applicable tariff for that year and will be applied for the duration of that particular financial year. The subsidy shall form part of the Tariff Policy applicable for the financial year.

11.3 Sewerage

11.3.1 Category A registered indigents shall be fully subsidised and category B registered indigents shall be subsidised for 50% of the basic levy for sewerage for one service connection as provided for by Council in the annual budget from time to time.

11.3.2 The above subsidy will also be applicable to qualifying indigents with no waterborne sewerage but serviced through septic tanks. The subsidy will be restricted to the basic levy for septic tanks.

11.3.3 Qualifying indigents with waterborne sewerage systems will receive one free blockage clearance per month.

11.3.4 The subsidy shall not be more than the applicable tariff for that year and will be applied for the duration of that particular financial year. The subsidy shall form part of the Tariff Policy applicable for the financial year.

MUNICIPALITEIT HESSEQUA
DEPARTEMENT FINANSIES

29 MAY 2019

11.4 Refuse Removal

- 11.4.1 Category A registered indigents shall be fully subsidised and category B registered indigents shall be subsidised for 50% of the basic levy for refuse removal for one removal per week as provided for by Council in the annual budget from time to time.
- 11.4.2 The subsidy shall not be more than the applicable tariff for that year and will be applied for the duration of that particular financial year. The subsidy shall form part of the Tariff Policy applicable for the financial year.

11.5 Property Rates

- 11.5.1 Category A registered indigents shall be fully subsidised and category B registered indigents shall be subsidised for 50% of the net levy (after deduction of exemptions) for property rates calculated on a market value of R800 000 provided for by Council in the annual budget from time to time, and subject to the provisions of the Municipal Property Rates Act.
- 11.5.2 The subsidy shall not be more than the applicable tariff for that year, and will be applied for the duration of that particular financial year. The subsidy shall form part of the Tariff Policy applicable for the financial year.

11.6 Burials

- 11.6.1 In the event of the death of a member of a category A or B indigent household, the Municipality will exempt the household from the cost of digging and preparation of a single grave, provided that the burial takes place in a municipal cemetery. Such application must be accompanied by a certified copy of the Death Certificate, Burial Order and a sworn affidavit regarding the relationship of the applicant.
- 11.6.2 In the event of cremation a contribution will be paid over to the institution where the cremation takes place. This amount will be determined on an annual basis.

11.7 Informal Municipal Site Rentals and Municipal Building Rentals

- 11.7.1 Category A registered indigents shall be fully subsidised and category B registered indigents shall be subsidised for 50% of the payment for site rental as provided for by Council in the annual budget from time to time.
- 11.7.2 Category A registered indigents shall be subsidised for 50% and category B registered indigents shall be subsidised for 25% of the payment for building rental as provided for by Council in the annual budget from time to time.
- 11.7.3 The subsidy shall not be more than the applicable tariff for that year, and will be applied for the duration of that particular financial year. The subsidy shall form part of the Tariff Policy applicable for the financial year.

4780193258
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DEPARTEMENT FINANSIES

29 MAY 2019

11.8 Fees for Building Plans and Building Lines

- 11.8.1 Category A and B registered indigents shall be subsidised for the payment of fees as provided for by Council in the annual budget from time to time.
- 11.8.2 The subsidy shall not be more than the applicable tariff for that year, and will be applied for the duration of that particular financial year. The subsidy shall form part of the Tariff Policy applicable for the financial year.

12 CATEGORY C - INDIGENT HOUSEHOLDS IN RETIREMENT CENTRES AND OLD AGE HOMES

- 12.1 Indigent customers living in retirement centres or old age homes shall be eligible to qualify for assistance and support in terms of this Policy.
- 12.2 The onus will be on the Board of Trustees/Managing Agent to apply to the Municipality, for indigent status to be granted in respect of electricity consumption on behalf of the owners of those units, who meet the criteria and conditions for qualification.

13 CATEGORY D - INDIGENT HOUSEHOLD TENANTS NOT RECEIVING MUNICIPAL ACCOUNTS

- 13.1 Indigent customers, renting property where the municipal account is rendered to the owner of the property only, i.e. flats and second dwellings, shall be eligible to qualify for assistance and support in terms of this Policy.
- 13.2 The onus will be on the indigent customers, who meet the criteria and conditions for qualification, to apply to the Municipality for indigent status to be granted. Upon approval the municipal account of the owner of the property responsible for the payment of the municipal account, will monthly be credited with the respective amount on behalf of the owners of those units, who meet the criteria and conditions for qualification.

14 CATEGORY E - CHURCHES IN INDIGENT AREAS WHO ARE REGISTERED ON THE NATIONAL REGISTER OF CHURCHES

- 14.1 Churches where more than 50% of the members of that congregation are registered as indigents in terms of the Council's Indigent Policy shall be eligible to qualify for assistance and support in terms of this Policy to the same extent as an indigent household.
- 14.2 The onus will be on the Minister of the Church to submit proof to Council of the number of members registered as indigents in terms of the Council's Indigent Policy. This must be done through submission of the ID numbers of the members qualifying for indigent status in respect of the total number of members belonging to the congregation.
- 14.3 No subsidy will be payable in respect of any vacant stands owned by a church.

15 PROCESS MANAGEMENT

15.1 Applications

- 15.1.1 The indigent application form should be completed in full and, once formally approved, it must be captured onto the relevant indigent register and accounting system.
- 15.1.2 Applicants must give permission that the information submitted may be verified by a credit bureau or similar agency.
- 15.1.3 All applications must be sworn by the SAPS or a Commissioner of Oaths on signing.

15.2 Validity Period

- 15.2.1 The validity period of assistance will be for the duration that the applicant remains indigent. Households, in terms of the audit and review process, will be subjected to scrutiny to determine any change in status.
- 15.2.2 Households may have to periodically re-apply. The period of validity will be determined by the Municipality from time to time. Currently, re-application must be done at least once in a three year cycle or any other period as may be determined by the Municipality.

15.3 Death of Registered Applicant

In the event that the approved applicant passes away the heir/s of the property must re-apply for indigent support, provided that the stipulated criteria are met.

15.4 Publication of Register of Indigent Households

Names of indigent beneficiaries will not be open for public perusal and comment.

15.5 Arrears and Excess Usage of Allocations

- 15.5.1 Upon registration as an indigent household, outstanding debt of successful applicants will be written off against the council's provision for bad debt.
- 15.5.2 Where restriction of consumption applies to a particular service, applicants may not refuse to be restricted in terms of Council Policy. Where restrictions are not possible the account holder will be responsible for the consumption in excess of the approved subsidy.
- 15.5.3 Upon approval of indigent status the customer's meter for electricity may be converted to a pre-paid meter at the cost of Council, while the water meter may be converted to a pre-paid meter at the cost of the Council.
- 15.5.4 The writing off of any arrears is strictly subject to the provision that the property may not be sold within a period of eight years from the date that the owner qualify as a

registered indigent. In the case of the property being sold inside a period of eight years the arrear debt, excluding any further accumulated interest, will be recovered before a clearance certificate is issued.

15.6 Termination of Indigent Support

Indigent Support will be terminated under the following circumstances:-

- 15.6.1 Upon death of the registered indigent customer for that particular property.
- 15.6.1 Upon sale of the property in respect of which support is granted, subject to the provisions of paragraph 15.5.4.
- 15.6.2 When circumstances in the indigent household have improved to the extent where the income threshold as determined is exceeded.
- 15.6.3 If the applicant is found to have lied about his/her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply:-
 - 15.6.3.1 All arrears will become payable immediately;
 - 15.6.3.2 Stringent credit control measures will apply; and
 - 15.6.3.3 The applicant will not be eligible to apply for indigent support for a period of five (5) years.

15.7 Audit and Review

- 15.7.1 The Municipality may conduct regular audits of the indigent register with regard to the information furnished by applicants, possible changes in status, the usage of allocations and debt collection measures applied and where necessary review the status of applicants.
- 15.7.2 The frequency of audits will depend on the institutional capacity of the Municipality to do so. Quarterly targeted audits and reviews should be undertaken to ensure the verification and reregistration of each qualified indigent customer at least once in a three (3) year cycle.
- 15.7.3 Council reserves the right to send officials or its agents to premises/households receiving relief from time to time for the purpose of conducting an on-site audit of the details supplied.
- 15.7.4 Where any doubt exists regarding the current status of a registered indigent customer, the matter should immediately be referred to the Ward Indigent Committee for verification at any time.

4780193258
MUNISIPALITEIT HESSEQUA
DEPARTEMENT FINANSIES

29 MAY 2019

U MASIPALA HESSEQUA
HESSEQUA MUNICIPALITY
FINANCIAL DEPARTMENT

15.8 Exit Programme

- 15.8.1 Members of households registered as Indigent must be prepared to participate in exit programmes coordinated by the Municipality in collaboration with other government departments and the private sector.
- 15.8.2 As part of its broader poverty reduction programme the Municipality undertakes to provide for the participation and accommodation of indigent persons in its local economic development (LED) initiatives and in the implementation of integrated development programmes where possible.
- 15.8.3 The Municipality must promote exit from indigence by:-
 - 15.8.3.1 identifying indigents for inclusion in public works projects;
 - 15.8.3.2 initiating local job creation projects such as cleansing operations, small infrastructure projects, etc.;
 - 15.8.3.3 facilitation of opportunities to enter the informal trade market;
 - 15.8.3.4 facilitation of food security projects; and
 - 15.8.3.5 liaison with National and Provincial departments to include indigent persons in their public works programmes.

16 DRAFTING AND MAINTENANCE OF AN INDIGENT REGISTER

- 16.1 The Chief Financial Officer will be responsible to compile and administer the database for households registered in terms of this Policy.
- 16.2 Registration will take place on a continuous basis and in accordance with the programme of quarterly targeted audits and reviews. The Municipality may decide to launch special registration campaigns from time to time.
- 16.3 The Municipal Manager or his/her delegate will provide assistance to persons who cannot read or write, at such times and places as are specified in the notices published to indicate that the registration programme is to take place.

17 PENALTIES AND DISQUALIFICATION FOR FALSE INFORMATION

- 17.1 Applicants will be required to sign and submit a sworn affidavit, to the effect that all information supplied is true and that all income, i.e. from formal and/or informal sources, is declared. Non-compliance will make the application invalid.
- 17.2 Any person who supplies false information will be disqualified from further participation in the subsidy scheme and be liable for the immediate repayment of all subsidies received and all

4780193258

MUNICIPALITEIT HESSEQUA
DEPARTEMENT FINANSIES

29 MAY 2019

U MASIPALA HESSEQUA
HESSEQUA MUNICIPALITY
FINANCIAL DEPARTMENT

debts including arrears that have previously been written off. Council may furthermore institute criminal proceedings, as it may deem fit.

- 17.3 The onus also rests on indigent support recipients to immediately notify Council of any changes in their indigence status.

18 TARIFF POLICY

- 18.1 The Municipal Systems Amendment Act stipulates that a Municipal Council must adopt and implement a Tariff Policy on the levying of fees for municipal services provided by the Municipality itself or by way of service delivery agreements and which complies with the provisions of the Act and with any other applicable legislation.

- 18.2 A Tariff Policy must reflect, amongst others, at least the following principles, namely that:-

18.2.1 The amount individual users pay for their services should generally be in proportion to their use of that service;

18.2.2 Poor households must have access to at least basic services through-

18.2.2.1 tariffs that cover only operating and maintenance costs;

18.2.2.2 special tariffs or life line tariffs for low levels of use or consumption of services or for basic levels of service; or

18.2.2.3 any other direct or indirect method of subsidisation of tariffs for poor households.

18.2.3 The extent of subsidisation of tariffs for poor households and other categories of users should be fully disclosed.

19 SOURCES OF FUNDING

- 19.1 The amount of subsidisation will be limited to the amount of the equitable share received on an annual basis. This amount may be varied on a yearly basis according to the new allocation for a particular financial year.

- 19.2 The Municipality resolves to subsidise all registered indigents for property rates, electricity, water, sewerage, refuse removal, site rentals, burials, municipal building rentals and fees for building plans / building lines per month or an amount to be determined annually by Council.

- 19.3 If approved as part of the Tariff Policy the amount of subsidisation may at any time be increased through cross subsidisation, i.e. step tariff system in which case paragraph 18.2.3 shall apply.

4780193258
MUNICIPALITEIT HESSEQUA
DEPARTEMENT FINANSIES

29 MAY 2019

U MASIPALA HESSEQUA
HESSEQUA MUNICIPALITY
FINANCIAL DEPARTMENT

20 METHOD OF TRANSFER AND THE VALUE OF THE SUBSIDY

- 20.1 No amount shall be paid to any person or body, but shall be transferred on a monthly basis as a credit towards the approved account holder's municipal services account in respect of the property concerned.
- 20.2 Arrear amounts shall not qualify for any assistance and shall not be taken into consideration. Calculations shall be based on the monthly current accounts only and in accordance with the approved Tariff Policy.

21 RESTORING SERVICES TO QUALIFIED HOUSEHOLDS

If an application is approved services will be restored free of charge. If services are to be suspended thereafter in terms of the approved Credit Control Policy the approved tariff for reconnection will be payable.

22 DEPOSITS

- 22.1 In terms of Council's Credit Control and Debt Collection Policy all customers must apply for the provision of municipal services before such services are rendered to a particular property. On application for the provision of municipal services the customer deposit prescribed by Council shall be paid.
- 22.2 For the purposes of registering and allocating the applicable subsidy to qualified indigent customers, accounts will be opened for these customers without requiring any deposit. This is made possible through the fact that the value of services levied against these accounts is fully offset on a monthly basis against the applicable indigent subsidy. This arrangement will immediately terminate if the status of the indigent customer changes.

23 MONITORING AND REPORTING

The Chief Financial Officer must report monthly to the Municipal Manager via the Municipality's Service Delivery and Budget Implementation Plan to enable the Municipal Manager to report to Council and other interested parties. Such report shall reflect on:-

- 23.1 Number of indigent households applications received;
- 23.2 Amount of subsidy allocated per benefit category;
- 23.3 Amount of debt accumulating and debt recovery information (number of customers; enquires; default arrangements; growth or diminishing of arrear debtors; ideally divided into wards, domestic, state, institutional and other such categories);
- 23.4 Performance against targets set in respect of indigent support and poverty relief in particular with regard to the following:-

- 23.4.1 Number of applications for indigent support dealt with;
- 23.4.2 Time taken to process and finalise applications;
- 23.4.3 Site visits undertaken; and
- 23.4.4 Awareness and Exit initiatives.

23.5 Changes in the registered status of indigents.

24 CAPACITY BUILDING

The Municipality must ensure that all officials and Councillors are appropriately capacitated in Free Basic Services in terms of the following key areas:-

- 24.1 Database management;
- 24.2 Demand and revenue management; and
- 24.3 Policy and by-law implementation.

25 IMPLEMENTATION AND REVIEW OF THIS POLICY

- 25.1 This Policy shall be implemented once approved by Council. All future applications for indigent registrations must be considered in accordance with this Policy.
- 25.2 In terms of section 17(1) (e) of the MFMA this Policy must be reviewed on annual basis and the reviewed Policy tabled to Council for approval as part of the budget process.

4780193258
MUNISIPALITEIT HESSEQUA
DEPARTEMENT FINANSIES

29 MAY 2019

U MASIPALA HESSEQUA
HESSEQUA MUNICIPALITY
FINANCIAL DEPARTMENT

Besonderhede van huisinwoners:

| | Naam | Ouderdom | Verwantskap | Geslag | Onderwys vlak | Werk status |
|----|------|----------|-------------|--------|---------------|-------------|
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |

Besonderhede van maandelikse inkomste met stawende bewyse:

(Salaris, enige kommissie, loon, rente of enige ander inkomste)MAN & VROU

| | Naam | Werkgewer | Inkomste | Uif (Ja/Nee) |
|------------------------------|------|-----------|----------|--------------|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| Totale maandelikse Inkomste: | | | | |

Besonderhede van inkomste van ander inwoners:

| | Naam | Werkgewer | Inkomste | Geslag | Ouderdom |
|---|------|-----------|----------|--------|----------|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |

Datum van Aansoek :/...../20.....

Is daar 'n posbus op die erf?

Ja Nee

4780193258
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DEPARTEMENT FINANSIES

29 MAY 2019

U MASIPALA HESSEQUA
HESSEQUA MUNICIPALITY
FINANCIAL DEPARTMENT



HESSEQUA MUNISIPALITEIT

BYSTAND TEN OPSIGTE VAN BASIESE DIENSTE

Ek die ondergetekende aansoeker verklaar hiermee:

- A. Dat alle inligting wat in hierdie vorm aangebring is waar en korrek is en dat alle besonderhede verstrekkend is,
- B. Dat ek bewus is dat ek hiermee toestemming aan die Munisipaliteit verleen om die inligting soos voorgele met my aansoek om deernishulp deur 'n kredietbeheer of enige soortgelyke agentskap geverifieer kan word.
- C. Dat ek bewus is dat indien die inligting wat in hierdie vorm verstrekkend is foutief is, die Hessequa Munisipaliteit 'n siviele aksie teen my kan instel en dat ek alle bystand reeds ontvang moet terugbetaal en enige verdere bystand sal verbeur,
- D. Dat indien my posisie enigsins verander voor my hersieningsdatum, ek die veranderings onmiddellik skriftelik aan die betrokke amptenaar bekend sal maak.
- E. Dat ek bewus is dat ek hiermee toestemming aan die Munisipaliteit verleen om my naam en adres te kan plaas op 'n lys van hulpbehoewende rekeninghouers, wat ingevolge hierdie Beleid subsidie ontvang, welke lys kan deur die publiek gekontroleer en kommentaar op gelewer kan word.

Skriflik waar nie van toepassing

Ek ken en verstaan die inhoud van hierdie verklaring en het **geen beswaar / beswaar teen** die neem van die eed. Ek beskou die eed as **bindend/nie bindend** op my gewete.

Ek sertifiseer dat die verklaarder erken dat hy/sy vertrou is met die inhoud van hierdie verklaring, dat hy / sy nie 'n beswaar teen die aflê van die eed het nie, en dat hy / sy dit bindend op sy / haar gewete vind, en onder eed beloof en onderteken voor my te :

..... op hierdiedag van202...

Toediening van die eed voldoen aan die regulasies soos vervat in Staatskoerant No. R 1258 van 21 Julie 1972, soos gewysig

Handtekening van verklaarder :

Kommisaris van ede :

Kontrolelys

Slegs vir Kantoorgebruik

| | <u>Dokumentasie kontrole</u> | <u>Man</u> | <u>Vrou</u> | <u>Ander</u> |
|----|--|------------|-------------|--------------|
| 1 | Gesertifiseerde afskrif van Id Applikant(e) | | | |
| 2 | Gesertifiseerde afskrif van Id van die Eienaar indien applikant huurder is | | | |
| 3 | Bevestigingsbrief vanaf eienaar indien applikant huurder is(Woonadres, posadres, kontaknommers sowel as toestemming moet verleen word.) | | | |
| 4 | Bewys van Inkomste: | | | |
| | a. Salarisstrokke / S-Koevert | | | |
| | b. Werkloosheidsertikaat | | | |
| | c. Werkverklaring indien self onderhoudend | | | |
| | d. Staats toelaag | | | |
| 5 | Verslag oor Kragverbruik | | | |
| 6 | Verslag Waterverbruik | | | |
| | Indien die verbruik oorskry heg motivering aan vanaf die Raadslid | | | |
| 7 | Afskrif Munisipale diens rekening | | | |
| 8 | Bewys Kragstrokke | | | |
| 9 | Drie maande bankstaat gesertifiseer deur betrokke bank: | | | |
| | a. Verklaring dat geen ander bankrekening besit | | | |
| | b. Verklaring dat nie bankrekening het nie | | | |
| 10 | Aansoek vorm is voltooi en geteken | | | |

Aansoeke geverifieer deur:

.....

Datum:

Komitee Aanbevelings

| | |
|-------------------------|--|
| Goedgekeur | |
| Afgekeur | |
| Rede: | |
| Inkomste meer as beleid | |
| Verbruik meer as beleid | |
| Voertuie meer as beleid | |
| Onwettige bedrywighede | |
| Ondersoek | |
| Rede: | |

Komitee lede

1. _____
2. _____
3. _____
4. _____
5. _____

6. _____
7. _____
8. _____
9. _____
10. _____

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DEPARTEMENT FINANSIES

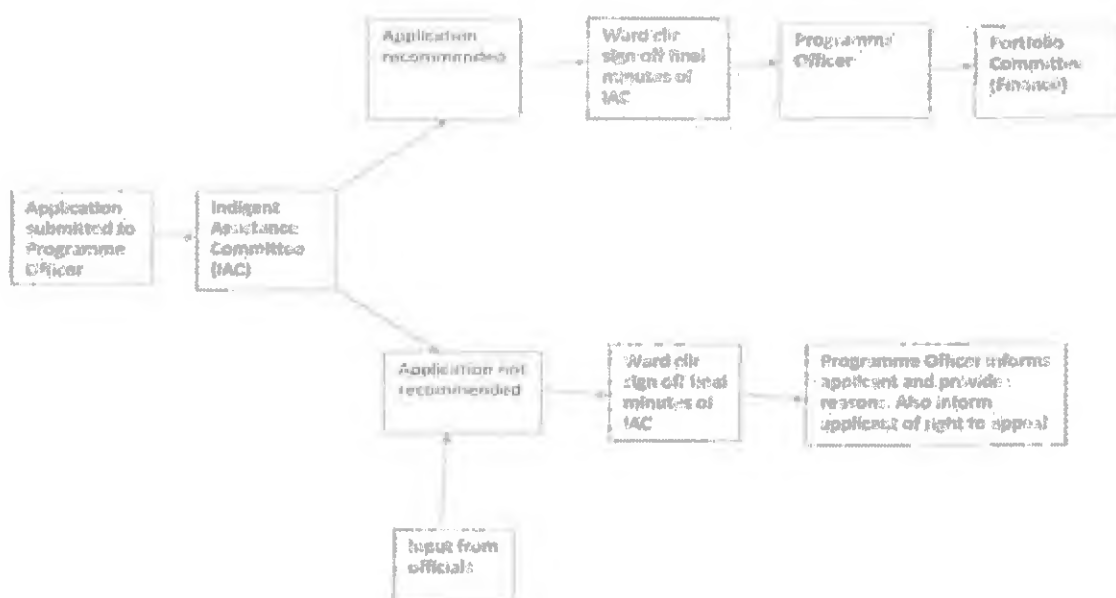
29 MAY 2019

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ANNEXURE B

Flowchart illustrating the application and recommendation/non-recommendation process



4780193258
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DEPARTEMENT FINANSIES

29 MAY 2019

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FINANCIAL DEPARTMENT